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TO RUEHC/SECSTATE WASHDC IMMEDIATE 5651
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SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: VENEZUELA, CHAVEZ'S
REGIONAL AND INTERNATIONAL INFLUENCE; SAO PAULO

Chavez, the Illusionist

Center-right O Estado de S. Paulo (8/21) editorialized: "President Hugo Chavez is a great illusionist.... On one hand he announces a '21st century Socialism' and fools the naove ones from whom he requests support to fight against the United States and capitalism. But, on the other hand he increases trade with the U.S. and turns Venezuela into a banker's paradise. Chavez has established dazzling accords with Cuba and Bolivia...but these are not the countries he trades with in reality-it is with the U.S. he does so...bilateral trade grew 36% in 2005...it was the fastest growth among the U.S. largest trade partners.... The 'Bolivarian Revolution,' which was supposed to redeem the poor and oppressed, has created a new class of millionaires and consolidated existing fortunes.... This is how Hugo Chavez is fulfilling his goal to 'transform the structures of capitalism.' After all, foes are foes, but business is business."

McMullen